GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3915
ANSWERED ON:17.08.2001
GENERAL FINANCIAL RULES REGARDING RATE CONTRACTS
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) Whether as per provision made in the General FinancialRules under note 2 of Rule 2 of Appendix VIII it has beenmade incumbent on the Government departments to obtain their requirements only through rate contracts wherever available;

(b) if so, whether it has come to the notice of the Government that some Government departments are not following the said provision of General Financial Rules and are obtaining their requirements at higher rates from the Kendriya Bhandar, etc; and

(c) if so, the action Government propose to take in the matter so as to ensure that the funds are not misutilised and greater economy is brought in the Government expenditure to check fiscal deficit vis-â€¦-vis borrowings?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c): Rule 2 in Appendix 8 (Part I) given in Annexureto Rule 102 (1) of General Financial Rules (GFRs) requires tendersto be invited for supply of all articles which are to be purchased for public service unless the value of the order to be placed is small or Head of Deptt. is satisfied, for reasons to be recorded in writing, that sufficient reasons exist that it is not in public interest to call for tenders. However, Note below this rule indicates the limits for purchases without inviting tenders. Further in keeping with the policy of encouraging the co-operative movement, the Government in relaxation of the procedure laid down in GFRs had made itincumbent on all Central Government departments, their attached and subordinate offices and other organisations financed and/ or controlled by Government to make all their local purchases of stationery and other items from the Kendriya Bhandars and two other Co-operatives namely NCCF and Super Bazar only. Thus the said relaxation of GFRs is covered by extant instructions.